

Women are Key Client For Microfinance Loans



Photo: OIBM

Women benefit from the accessibility of small business loans and savings in Malawi.

Through several different USAID programs, Malawians are able to initiate or develop income-producing ideas such as bee-keeping, tailoring, or brick-making. To encourage economic growth in Malawi, USAID supports Opportunity International Bank of Malawi (OIBM) - a lending institution geared to providing financial services to smaller businesses, and makes small business loans and savings accounts accessible for the poor.

USAID funds OIBM as part of a program that provides microfinance in twenty-five developing countries. Through microfinance, USAID is helping thousands of Malawians to invest in their own livelihoods and provide for their families. Using innovative new technologies and approaches in Malawi such as smartcards, radio advertising, and extended hours, OIBM services have been directly tailored to low-income clients.

OIBM provides microcredit or small business loans which is an important way to increase employment opportunities. By providing loans to people who don't have collateral, OIBM enables them to open a savings account with an initial deposit equivalent to \$5. In the first nine months of the program, the bank boasted 7,000 clients with savings accounts, and has served 300 people -- 70% of them women -- with small business loans. OIBM plans to expand its lending and make its services more accessible, with more locations and products.

Photo & Caption